SPECIAL MEMBER DISCUSSION

The State of Nonprofit Sustainability in Mississippi
(and what it means for you)
Board Engagement
“Board Engagement”
Program Evaluation

1. **Put the initiative into context:**
   - What are the relevant system boundaries?

2. **Characterize the initiative:**
   - Why is it considered a One Health initiative?
   - Who is the initiative for (stakeholders)?
   - Where does the initiative belong in the system relative to the boundaries?

3. **Assessment of the ‘One-Health-ness’**
   - **Operations**
     - Thinking
     - Planning
     - Working
   - **Infrastructures**
     - Sharing
     - Learning
     - Organisation

4. **Assess integration:**
   - Are the operations and infrastructures appropriate to achieve the desired outcomes?

5. **Assess added value of One Health:**
   - Does greater strength of One Health lead to better outcomes?

6. **Element 1**
   - **System definition**

7. **Element 2**
   - **Theory of change including outcomes**
     - Selection and design of the evaluation
       - Impact evaluation
       - Economic evaluation
       - Non-Linear impact evaluation

8. **Element 3**
   - **Selection of metrics for different outcomes**
     - Disciplinary outcomes
     - Interdisciplinary outcomes
     - One Health outcomes

9. **Element 4**
   - **Final evaluation of outcomes**
   - **Assess outcomes:**
     - Does the One Health initiative work and/or is it cost-effective?
     - What are the unexpected outcomes?
<table>
<thead>
<tr>
<th>No</th>
<th>Date</th>
<th>Event/Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Oct</td>
<td>Pilot and Resister</td>
</tr>
<tr>
<td>14</td>
<td>Nov</td>
<td>The Order of Phoenix</td>
</tr>
<tr>
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<td>The Instant Tackle</td>
</tr>
<tr>
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<td>Nov</td>
<td>The Rubicon - Black Marks</td>
</tr>
<tr>
<td>17</td>
<td>Dec</td>
<td>Petra Returns</td>
</tr>
<tr>
<td>18</td>
<td>Dec</td>
<td>St. Mary's Hospital for Magician, Madam, and Misanthrope</td>
</tr>
<tr>
<td>19</td>
<td>Dec</td>
<td>Extended Power &amp; Daim Undertake</td>
</tr>
<tr>
<td>20</td>
<td>Jan</td>
<td>Valentine's Day</td>
</tr>
<tr>
<td>21</td>
<td>Feb</td>
<td>Couns Grown</td>
</tr>
<tr>
<td>22</td>
<td>Feb</td>
<td>Meeting</td>
</tr>
</tbody>
</table>

**Program Evaluation**

- Pilot and Resister: First meeting at the Phoenix.
- The Order of Phoenix: First meeting with Phoenix.
- The Instant Tackle: Noggin attack.
- The Rubicon - Black Marks: New information on Noggin's upsets.
- Petra Returns: Now Vol is active, trying to get happy to a mp. - Added: Grown.
Talent Retention
“Talent Retention”
Sometimes, it feels like grantmakers and nonprofits speak two different languages.
Today’s objectives:

(1) An open dialogue between grantmakers and nonprofits;

(2) Collaboration for more financially sustainable programs;

(3) More funding for organizational development/capacity building.

See Two Sides of the Same Coin Report
Part 1

How do we cross the chasm that often exists between funders and nonprofit operators, to create sustainable impact?
• What role does sustainability play within your grantmaking process?

• Is it a factor in your (board’s) funding decisions?

• The Community Foundation raises money, too – how has this affected your perspective, if at all?
• How do you fund your mission?

• Is program sustainability a topic that’s addressed in a strategic plan, or with your board?

• What does a typical month in fundraising look like for you, and Extra Table?
What keeps you up at night when you think about your (grantees’) fundraising?
Donors want to see their giving create lasting change.

Endowed/agency funds won’t grow without nonprofit capacity.

Limited discretionary funds must be leveraged wisely.

Fighting hunger across the state requires significant funding.

Limited time to cultivate donors and build campaign plans.

Inheriting messy, incomplete data and limited infrastructure.
Identifying shared strategies.

Build strong nonprofit partners with capacity to sustain grants and build an endowment.

Consistently embrace fundraising as a central leadership priority to increase impact & fight hunger.
What have you tried in the past to build fundraising capacity?
Did it work? What was successful? What was frustrating you?
One year ago...
Community Foundation FOR MISSISSIPPI

Capacity-Building Grant

- Paired with a Personal Fundraising Coach
- Began analyzing donor data;
- Developed a new donor cultivation strategy;
- Implemented over 12 months.

(outputs)

EXTRA TABLE

- Tripled Martha’s campaign goal in a first-ever year-end campaign;
- Raised $60,000 in net new revenue from the ‘Amazing Rai$e’;
- Identified new major gift prospects and began managing relationships with data & technology.

(outcomes)
What do you feel prevents candid discussion between grantor and grantee?
What do you need from your counterpart that’s often misunderstood or left unaddressed?
Do we have data to quantify these needs on a state-wide level? What should we all do as a result?
Today’s objectives:

(1) An open dialogue between grantmakers and nonprofits;

(2) Collaboration for more financially sustainable programs;

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See Two Sides of the Same Coin Report
The challenges we all seek to address are far too big and complex for any one of us to solve.
We must shift from a **responsive** to a **responsible** approach to change-making.
It’s (y)our job to create a strong, resilient nonprofit organization.
Capacity building is turning best intentions into reality, so our nonprofits create more and more long-term outcomes.
Nationally, funders aren’t keeping pace with needs...

- 81% of nonprofits who are increasing their budget
- 73% gap between nonprofits increasing their budget and funders increasing giving to nonprofits
- 8% of funders increasing giving to nonprofits
...and individuals in our communities want to help...

annual giving to nonprofits by:

- 80% individuals
- 15% foundations
- 5%
...but nonprofits aren’t building donor relationships.

SUSTAINABILITY
89% nonprofits overly rely on single-source, granted, public funding

BUDGET
93% nonprofits don’t budget for unforeseen fundraising expenses

GROWTH
77% of emerging nonprofits will struggle to raise last year’s total
Assessing the State of Nonprofit Sustainability in Mississippi

A special report quantifying both the bright spots and potential threats to nonprofit impact across the state of Mississippi.

Prepared for members of:
Who did we talk with?

**Which region do you primarily serve?**
- The Delta
- Greater Jackson
- Gulf Coast
- Piney Woods
- Red Clay Hills
- Statewide

**What’s your mission?**
- Children & Youth
- Human Services
- Education
- Arts
- Public Benefit
- Other

**How many FTE’s do you employ?**
- No FTE’s
- 1 FTE
- 2 – 4 FTE’s
- 5 – 10
- 11 – 25
- 25 <
Who did we talk with?

- What’s your annual budget?
  - Less than $250K
  - $250K - $1M
  - $1M - $2M
  - $2M+

- How much do you raise from individuals?
  - Less than $25K
  - $25K - $100K
  - $100K - $500K
  - $500K+

- Who’s responsible for fundraising?
  - Executive Director
  - Dev. Director
  - Dev. Staff
  - Board
Where is the most help needed?

<table>
<thead>
<tr>
<th>What’s your nonprofit’s greatest challenge?</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Raising Money, Fund Development</td>
<td>83%</td>
</tr>
<tr>
<td>Financial Management, Accounting</td>
<td>27%</td>
</tr>
<tr>
<td>Program Evaluation</td>
<td>20%</td>
</tr>
<tr>
<td>Strategic Planning</td>
<td>18%</td>
</tr>
<tr>
<td>Human Resources</td>
<td>18%</td>
</tr>
<tr>
<td>Technology &amp; Infrastructure</td>
<td>7%</td>
</tr>
</tbody>
</table>
highest average gift, smallest donor base

over-reliance & more access to grant funds

largest individual donor bases

smallest budgets, more volunteer-run orgs

the “middle class” of organization capacities
Is raising money really that hard?

<table>
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<tr>
<th></th>
<th>All Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Individual Giving Last 12 Months</strong></td>
<td></td>
</tr>
<tr>
<td>Individuals as % Annual Budget</td>
<td>7% (median)</td>
</tr>
<tr>
<td></td>
<td>18% (mean)</td>
</tr>
<tr>
<td>Annual Operating Budget</td>
<td>$400,000 (median)</td>
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<td>$1,565,000 (mean)</td>
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<td>Revenue Raised From Individuals</td>
<td>$32,500 (median)</td>
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<td>Number of Individual Donors</td>
<td>74 (median)</td>
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<td>564 (mean)</td>
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<td></td>
<td>46 (mean)</td>
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<td>Average Gift Size</td>
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Healthy = 70%

Healthy = $280K

Average = $310
Does capacity vary by region?

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<th>Individual Giving By Region</th>
<th>Donors as % Budget</th>
<th>Annual Budget</th>
<th>Revenue Raised</th>
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<tr>
<td>Capital/Jackson</td>
<td>4%</td>
<td>$380,000</td>
<td>$10,000</td>
<td>235</td>
<td>8</td>
<td>$297</td>
<td>3%</td>
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<td>The Gulf Coast</td>
<td>10%</td>
<td>$369,000</td>
<td>$32,000</td>
<td>253</td>
<td>7</td>
<td>$214</td>
<td>3%</td>
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<tr>
<td>The Delta</td>
<td>21%</td>
<td>$143,000</td>
<td>$33,000</td>
<td>26</td>
<td>1</td>
<td>$303</td>
<td>4%</td>
</tr>
<tr>
<td>Piney Woods</td>
<td>22%</td>
<td>$55,000</td>
<td>$11,000</td>
<td>60</td>
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<td>4</td>
<td>$206</td>
<td>7%</td>
</tr>
<tr>
<td>Statewide / All Others</td>
<td>6%</td>
<td>$598,000</td>
<td>$40,000</td>
<td>168</td>
<td>17</td>
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## Does capacity vary with staffing?

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<th>Donors as % Budget</th>
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<td>Board</td>
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<tr>
<td>Executive Director</td>
<td>3%</td>
<td>$194,000</td>
<td>$5,000</td>
<td>20</td>
<td>3</td>
<td>$250</td>
<td>15%</td>
</tr>
<tr>
<td>ED + Dev. Director</td>
<td>4%</td>
<td>$1,456,000</td>
<td>$42,000</td>
<td>239</td>
<td>30</td>
<td>$294</td>
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</tr>
<tr>
<td>Dev. Staff</td>
<td>9%</td>
<td>$1,800,000</td>
<td>$96,000</td>
<td>425</td>
<td>50</td>
<td>$225</td>
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The Grantmaking Pyramid

Foundational Capabilities

Organizational Resilience

Increasing Impact

Program Growth
Scaling Services

Financial Health
Fundraising

Core Strategy
Budget & Staff
7%
COACHING + DIRECT SERVICES
Providing monthly, one-on-one coaching by a consultant providing services as if a member of grantee's team

FUNDRAISING OPERATING SYSTEM
Integrating tech to enable grantees to easily track and engage donors, create and launch campaigns, & monitor progress

TEMPLATES + TOOLS
Enabling access to a library of best-practice fundraising materials so no grantee ever has to start from scratch

BOARD-STAFF ALIGNMENT
Creating a shared understanding of fundraising needs, budget, planning & the interdependencies for success
It can be difficult to embrace and actively implement best-practices and research.

**HOW PEOPLE GIVE & WHAT CHANNELS MAKE IT EASY**

- **MATURES** (Age 68+)
  - 52% gave in response to direct mail solicitation
  - 34% gave in honor or as a tribute

- **BOOMER** (Age 49-67)
  - 46% gave because a peer asked
  - 42% gave through org websites

- **GEN X** (Age 33-48)
  - 53% gave through special event
  - 49% gave by email campaign

- **GEN Y** (Age 18-32)
  - 62% gave via their cell phone
  - 59% directed to website from Facebook

**WHAT DO YOU NEED TO KNOW?**

You have to do a little bit of everything to reach everyone, but start with channels that can reach the most for the lowest cost – and the ones you can easily evaluate & measure.
It can be difficult to embrace and actively implement best-practices and research.
Measuring the outcomes of capacity building to find an ROI is (really) hard.
Measuring the outcomes of capacity building to find an ROI is (really) hard.
7%
ACKNOWLEDGEMENTS

Network for Good engaged in an extensive literature review of studies previously conducted by a number of Mississippi’s philanthropic leaders. While there were many informative publications, two proved most helpful. We would like to thank their authors, and direct readers to reference them alongside this report.

An assessment of the perceived strengths and challenges facing Mississippi nonprofits, and a description of the relationships between nonprofits and philanthropic players within the state. This report calls for three consistent and related next steps:

1. Fostering an open dialogue between grantmakers and nonprofits;
2. Collaboration to create more financially-sustainable nonprofit programs;
3. More funding given for organizational development and capacity building.

A unique “Opportunity Profile” to help Mississippi stakeholders better understand specific opportunities for increasing philanthropy in support of sustainable community betterment. This report calls for a number of consistent and related next steps, including:

1. Beginning conversations with local foundations about tapping into new opportunity;
2. Imagining the possibilities of increased impact in historically under-resourced areas;
3. Building the capacity of local nonprofits to capture their share of transferred wealth.